CITY COUNCIL MEETING MINUTES
CITY OF SANTA MARIA, CALIFORNIA
AUGUST 7, 2018 - CITY HALL COUNCIL CHAMBERS

CALL TO ORDER
Mayor Patino called the meeting to order at 5:00 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmember Cordero, Councilmember Moats, Councilmember Waterfield, and Mayor Patino

Councilmember Boysen was absent.

STAFF MEMBERS PRESENT
City Manager Stilwell, City Attorney Trujillo, Director of Human Resources and Records Anderson, and Chief Deputy City Clerk Garietz

PUBLIC COMMENT PERIOD
There were no requests to speak.

RECESS

Mayor Patino recessed to a Closed Session at 5:01 p.m. for a Conference With Legal Counsel – Worker's Compensation Claim pursuant to Subdivision (a) of Section 54956.95 of the Government Code. Claimant: Robert Prescott, Claim No. 17-130885. Agency Claimed against: City of Santa Maria.

INVOCATION
Pastor Carl Nielsen of Bethel Lutheran Church gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG
The Pledge of Allegiance was led by Councilmember Moats.

CALL TO ORDER
Mayor Patino reconvened and called the meeting to order at 5:30 p.m.

MEMBERS PRESENT:
Councilmember Cordero, Councilmember Moats, Councilmember Waterfield, and Mayor Patino

STAFF MEMBERS PRESENT:
City Manager Stilwell, City Attorney Trujillo, Director of Human Resources and Records Anderson, Solid Waste Manager Cantu, Fire Chief Champion, Chief of Police Hansen, Director of Finance Harvey, Planning Division Manager Hostetter, City Librarian Housel, Director of Public Works Kahn, Assistant City Attorney Sinco, Director of Utilities Springer, Assistant City Manager Wiemiller, and Chief Deputy City Clerk Garietz

CLOSED SESSION REPORT

City Attorney Trujillo announced that there was no reportable action associated with the Closed Session item.

1. PROCLAMATIONS/PRESENTATIONS

1-A The City Council received a presentation of the 2018 Santa Maria Valley Beautiful Program Award Winners. The winners were: 1) Best Use of Geraniums, Steven & Shelly Brown, 2743 Lorencita; 2) Best Use of Color, Randy Rogers, 5715 Antelope Trail; 3) Best Theme – French Cottage, Tim & Jacqueline Hedden, 212 Palm Court; 4) Best Theme – Country Cottage, Joyce Gameson, 490 Newlove Drive; 5) Best Drought Tolerant, Mark & Jennifer Teixeira, 5775 Oakhill Drive; 6) Sweepstakes Award, Marion Long, 508 Marian Lane; 6) Heritage Award, Frederic & Scheryn Pratt, 917 S. Speed; and 7) President's Award, Santa Maria High School, 901 S Broadway.

2. PUBLIC COMMENT PERIOD
There were no requests to speak.

3. CONSENT CALENDAR
Councilmember Waterfield asked to comment on Item 3-4A, Cooperative Agreement with Caltrans.

Cooperative Agreement with Caltrans
Councilmember Waterfield expressed concern about working with CalTrans through the Cooperative Agreement because CalTrans had provided a grant to the City and staff sought public input which CalTrans rejected. She did not want that to be the case with the Solomon Ramps project.

In response to Councilmember Waterfield questions, Director of Public Works Kahn responded that the City received $300,000 to prepare a streetscape plan. Staff produced a conceptual plan based upon input from the public, businesses, and the development community. It was a very detailed plan which included turn lanes that were removed, lane lengths reduced, and changes to the right-of-way. CalTrans had an issue with those changes until an in depth study could be completed. It was agreed with CalTrans that the City would produce a conceptual study with the lack of specifics on traffic changes which will be brought before the City Council for approval. A traffic study would then be completed with CalTrans which would include a detailed study and engineering of the downtown; and from that study, the City and CalTrans could come to an agreement on what the City's future lane widths, sidewalks, etc., would look like. The public's input on aesthetics for the streetscape plan was still in the plan.

Moved by Councilmember Waterfield, seconded by Councilmember Moats, to approve the Consent Calendar as presented, including Resolution Nos. 2018-98, 2018-99, 2018-100, 2018-101, 2018-102, and 2018-103. Motion carried unanimously by the Councilmembers present, Absent: Councilmember Boysen 4-0-1.

3-1A Waive the reading in full of all Ordinances and Resolutions. Ordinances on the Consent Agenda will be adopted by the same vote cast at the first meeting, unless City Council indicates otherwise.
Action: Waived full readings

3-1B Approve the Minutes of the regular City Council Meeting of July 17, 2018.
Action: Minutes were approved.

3-1C Adopt a Resolution cancelling the regular City Council meeting of August 21, 2018.
Action: Adopted as Resolution No. 2018-98.

3-1D Adopt a Resolution approving revisions to the City of Santa Maria's Drug and Alcohol Policy and City Administrative Memorandum (CAM) 97-02 for the Federal Transit Administration (FTA).
Action: Adopted as Resolution No. 2018-99.

3-1E Review staff's response to the Santa Barbara County Civil Grand Jury Report entitled *Odors in the City;* and authorize the Mayor to sign and transmit the City's response to the Presiding Judge of the Superior Court, and file a copy with the City Clerk's Office.
Action: Authorized to transmit.

3-1F Review staff's response to the Santa Barbara County Civil Grand Jury Report entitled Pensions in Santa Barbara County; and authorize the Mayor to sign and transmit the City's response to the Presiding Judge of the Superior Court, and file a copy with the City Clerk's Office.
Action: Authorized to transmit.

3-1G Adopt a Resolution approving an agreement between the City of Santa Maria and the City of Guadalupe for radio and dispatch services.
Action: Adopted as Resolution No. 2018-100.

3-2A Payment of Warrants. Ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Finance.
Action: Ratified.

3-2B Payment of Payroll. Ordered ratified subject to having been certified by the proper Department Directors, as shown on records on file in the Department of Finance, and having been approved for payment by the Director of Finance.
Action: Ratified.

3-3A Adopt a Resolution approving a contract with American Pavement Systems, Inc., to award the 2018 Chip Seal Project, Bid No. 2018/07, in the amount of $1,164,695.
Action: Adopted as Resolution No. 2018-101.

3-3B Adopt a Resolution establishing 2-hour limited time parking zones along the street frontage of Buena Vista Park in effect Monday through Friday, 8 a.m. to 5 p.m., and also no stopping zones on a portion of West Morrison Avenue at Buena Vista.
Action: Adopted as Resolution No. 2018-102.

3-4A Adopt a Resolution authorizing the Director of Utilities to enter into a Cooperative Agreement, and any extensions or modifications, with the State of California Department of Transportation ("Caltrans") for Pavement Rehabilitation at the Solomon Summit Ramps; or cancel the Agreement consistent with the terms of the Agreement if determined to be in the best interest of the City of Santa Maria.
Action: Adopted as Resolution No. 2018-103.

4 REGULAR BUSINESS

4-A **CALPERS CONTRACT AMENDMENT.** The City Council considered an amendment to the California Public Employees' Retirement System (CalPERS) Contract with the City of Santa Maria to implement employee cost-sharing. Director of Human Resources & Records gave a presentation as detailed in the written Council Agenda Report.

Public Employees' Pension Reform Act (PEPRA) of 2013 allows cities to negotiate various levels of contributions between the city and their employee groups by allowing employees to share in the costs of CalPERS. Both the City and the employees each have a share of the costs for the plan. Collective Bargaining Agreements provide the mechanism for employees to share in the cost of the employer's portion retirement plan. Over the last year, the City had been negotiating with the employee bargaining groups, and they all agreed to pay a portion of the CalPERS costs. However, some employee groups will be paying the employees' share, and others would be paying a portion of the City's share. For those employee groups paying the employees' share, a CalPERS contract amendment was not necessary, only for those employee groups paying a share of cost of the City's portion.

The employee groups agreeing to the cost-sharing of the City's portion of CalPERS costs are Service Employees International Union (SEIU), Non-Representing Management & Confidential Employees (NRMCE), and Public Safety Managers (PSM). Each group has agreed to an employee-paid cost sharing percentage of the CalPERS employer-paid contribution as follows: 1) half a percent (0.5%) for second tier classic local miscellaneous members in the Service Employees International Union (SEIU) group; 2) half a percent (0.5%) for new local miscellaneous

members in the SEIU group; 3) two percent (2%) for local miscellaneous members in the Non-Represented Management & Confidential Employees group; 4) nine percent (9%) for local police members in the Non-Represented Public Safety Managers group; 5) eleven percent (11%) for first tier classic local fire members in the Non-Represented Public Safety Managers group; 6) fifteen percent (15%) for second tier classic local fire members in the Non-Represented Public Safety Managers group; 7) and nine percent (9%) for new local fire members in the Non-Represented Public Safety Managers group. The employee groups would be required to complete a confidential ballot confirming their agreeance with the new cost-sharing plan as negotiated.

While the City had already adopted the new budget which included a number of cost-saving measures, the cost-sharing plan was also one measure at saving costs. All of the employee groups that staff negotiated with this year agreed to take some type of cost-saving measure to pay into CalPERS.

Action: Adopt a Resolution of Intention to approve an amendment to the contract between the Board of Administration of CalPERS and the City Council of the City of Santa Maria in order to implement cost sharing.

Motion by Councilmember Waterfield, seconded by Councilmember Moats. Adopted as Resolution No. 2018-104. Motion carried unanimously by the Councilmembers present. Absent: Councilmember Boysen. 4-0-1

Action: *Introduce an ordinance for first reading, and continue to the next meeting for a second reading and adoption, authorizing an amendment to the contract between the Board of Administration of CalPERS and the City Council of the City of Santa Maria.*

Motion by Councilmember Waterfield, seconded by Councilmember Moats. Introduced as Ordinance No. 2018-09. Absent:

Action: Authorize the City Clerk to execute required CalPERS certifications.

Motion by Councilmember Waterfield, seconded by Councilmember Moats. Authorized. Absent: Boysen. 4-0-1

4-B **4TH QUARTER FINANCIAL REPORT ENDING JUNE 30, 2018.** The City Council received the Quarterly Financial Report, and considered approval of an operational amendment for the fourth quarter ending June 30, 2018. Director of Finance Harvey gave the presentation as detailed in the written Council Agenda Report.

Director Harvey indicated that the information she was reporting were not audited numbers and balances would change as normal year-end adjustments were recorded. She primarily discussed the General Fund (including Measure U), and Enterprise Funds. The beginning General Fund balance of $10,071,920 was the final audited balance as of July 1, 2017.

Three of the five key revenue sources exceeded prior fiscal year receipts. Sales tax had the largest dollar amount gain at nearly $1.8 million or 8.4 percent greater than the prior year. Property tax showed the largest percentage increase at 9.4 percent or $1.6 million more than last year. The gains were offset by a 46.6 percent decrease in licenses, permits and fees, a reduction of $2.6 million.

The increase in sales tax receipts was the result of businesses opening at Enos Ranch that contributed to more sales in general consumer goods, restaurants and hotels industry groups. Continued growth in building and construction sales and fuel prices also added to the sales tax growth. She noted that the increase in sales tax was encouraging and the City could expect to receive a steady stream of sales tax revenue from Enos Ranch. These revenues will likely spike for the first six months to a year before going down to a more realistic level.

NHIS revenues were at nearly $1.5 million, which was a decrease of 7.5 percent as compared to approximately $1.6 million in receipts received through the fourth quarter of last year. The reduction was expected, and staff had reduced NHIS projections for 2017-18 to $400,000. The unexpected uptick in NHIS revenues was due to second quarter revenues for the Chevron project at the Orcutt Refinery site that required additional excavation than expected. Since the completion of the Orcutt project, NHIS activities slowed significantly and staff does not expect activities to pick-up over the next year. For that reason, staff was projecting NHIS revenues of about $400,000 in fiscal year 2018-19.

Permit revenues decreased by 46.6 percent or $2.6 million compared to the prior fiscal year. The reduction was primarily due to permits issued in the previous year for Enos Ranch development. Staff planned for this decline and lowered estimated permit revenues for 2017-18; actual permit receipts for the year were at about $3 million or 17 percent more than budgeted.

General Fund expenditures were at 94.9 percent of budget and include $2.6 million in salary savings from personnel vacancies in various departments. She indicated that based on preliminary revenue and expenditure figures, it would appear the $2.6 million transfer from the LEAF fund may not be needed to maintain a General Fund balance of $10.1 million. She also noted that while it was good news, she would be remiss if she did not reiterate that LEAF reserves were intended to address severe shortfalls in revenue that were temporary in nature; and the current reserve LEAF balance of $6.3 million was not sufficient to mitigate the acceleration of on-going pension and other operating costs the City was facing.

Measure U revenues through the fourth quarter were at 107 percent or $4.8 million. Expenditures were at $4.6 million and exceeded budget by 1 percent as a result of higher personnel costs than originally anticipated. Overall, Measure U revenues exceeded expenditures by nearly $207,000, increasing fund balance to about $524,000. Through June, roughly 90 percent of all Measure U expenditures were spent on public safety activities, with 38 percent expended on fire operations and 52 percent expended on police operations.

The Water and Wastewater Fund revenues exceeded expenditures by $9.3 million. Revenues included State Water Reimbursement fees of $2.2 million and $1.0 million in water sales to Montecito. Expenditures included the semi-annual debt service payments totaling $4.6 million of principal and interest on the 2012 refunding bonds.

In the Solid Waste Fund, revenues exceeded expenditures by $1.6 million, with capital expenses about 57 percent or $859,000 greater than the prior year.

The Transit Fund showed revenues greater than expenditures by $2.6 million. Fare revenues for the year were at $833,000, an increase of about $49,000 compared to the prior year. Three Clean Air Express buses account for the majority of the capital expenditures.

In conjunction with the 4th Quarter Financial Report, staff recommended one budget amendment to increase appropriations by $35,000 in the Capital Projects – General Fund for the purchase of a vehicle and computer for public works inspection services.

Action: Adopt a Resolution approving amendments to the 2017-18 Budget, and authorizing the City Manager to implement same.

Motion by Councilmember Waterfield, seconded by Councilmember Cordero. Adopted as Resolution No. 2018-105. Motion carried unanimously by the Councilmembers present. Absent: 4-0-1

REPORT BY CITY MANAGER

City Manager Stilwell reported that the next Regular City Council Meeting would be September 4, 2018. The August 21, 2018, Council meeting was cancelled. Items scheduled on the agenda would include a Dispatching Services Agreement with Hancock College, a Lease Addendum for Moxie Café at the Library, and appointments to the Community Development Block Grants Advisory Committee and the Santa Maria Community Television Board.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS (INCLUDING AB1234 REPORTS)

Councilmember Waterfield reported that she attended the Santa Maria Chamber of Commerce meeting, a meeting to discuss Measure U, and the Los Adobes de Maria Apartment Complex Grand Opening Ceremony.

Councilmember Moats reported that he was on vacation, and that he went to Washington D.C. with the hope of speaking with Congressman Salud Carbajal to speak about municipal affairs of the City. The Congressman was not available.

Councilmember Cordero reported that he attended the Center for Employment Training 40th Graduation Ceremony, and the Free Family Day Event at Grogan Park. He also indicated that he met with Congressman Carbajal a couple weeks prior who was reviewing the Supreme Court decision that requires internet sellers such as Amazon to charge purchasers sales tax and how those funds would be allocated to the City, likely through the County.

Mayor Patino reported that she attended the Marian Foundation Board of Directors meeting, SBCAG's monthly Board Meeting, the Connecting Santa Maria to a Regional Economy meeting, a special Chamber of Commerce Mixer at Downtown Fridays, the Santa Maria Arts Council Sculptures in the Park event, welcomed Southern California Junior Olympic Swimmers for a swim meet at Paul Nelson Aquatic Center with a turnout of nearly 900 swimmers, met with the President of Coastal Community Builders, a Northern Santa Barbara County Broadband Invitation event, Special Olympics Northern Santa Barbara County Check Presentation and Barbecue, the Center for Employment Training 40th Graduation Ceremony, the Santa Maria Joint Union High School Technical Education Center for the Ag Farm Ground Breaking Ceremony, a Police Officer Swearing-In Ceremony and Badge Pinning, the National Night Out Event at Preisker Park, and the Santa Maria Valley Beautiful 49th Annual Residential and Commercial Award presentations at Shepard Hall.

ADJOURNMENT

There being no further business before the City Council, Mayor Patino declared the City Council meeting adjourned at 6:12 p.m.

Approved at a regular meeting on September 4, 2018.

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Rhonda M. Ganetz, CMC
Chief Deputy City Clerk and ex officio Clerk
of the City Council

ATTEST:

Rhonda M. Ganetz, CMC
Chief Deputy City Clerk

Alice M. Patino
Mayor of the City of Santa Maria